

BASIC FOUNDATION PROGRAM

FY 2007-08

DEFINE PROGRAM EXPENDITURE LEVEL

DEFINE MANDATORY TAX EFFORT

PROGRAM COST - TAXES RAISED = STATE AID

WPU's X \$2,514 - LOCAL PROPERTY TAX REVENUE [0.001474 (Estimated) Tax Rate] = STATE AID

<u>DISTRICT A</u>		<u>DISTRICT B</u>	
(Non-Recapture District)		(Recapture District) ¹	
1,000 WPU's		1,000 WPU's	
0.000100 Tax Rate Raises:		0.000100 Tax Rate Raises:	
	\$ 16,000		\$ 160,000
1,000 WPU's X \$2,514 =		1,000 WPU's X \$2,514 =	
Less Tax Revenue		Less Tax Revenue	
0.001474		0.001474	
	<u>254,880</u>		<u>2,548,800</u>
STATE AID		STATE AID	
	\$2,259,120		\$ (34,800)
STATE GIVES DISTRICT		DISTRICT GIVES STATE	
	\$2,259,120		\$ 34,800
TOTAL DISTRICT REVENUE		TOTAL DISTRICT REVENUE	
	<u>\$2,514,000</u>		<u>\$2,514,000</u>

NOTE:

To change from Old Utah Mill to Present Tax Rate, DIVIDE by 5,000. Example: 8.77 / 5,000 = 0.001754
To change from Present Tax Rate to Old Utah Mill, MULTIPLY by 5,000. Example: 0.001754 X 5,000 = 8.77

H:\WPDATA\TAXES\BasicGuarantee.wpd

¹The 1995 Legislature significantly reduced the FY 1995-96 (Tax Year 1995) Basic Rate levy and resultant tax yield. As a result of this initial reduction and further reductions by subsequent legislative actions, no basic rate revenue has been recaptured from any school district since FY 1995-96.